



Foreign Agricultural Service

**GAIN Report**

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GAIN Report #SY2005

# Syria

## Grain and Feed

## Update

## 2002

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### Report Highlights:

The 2002 wheat crop was a record, estimated to exceed 4.5 million tons. Wheat stocks have sharply increased, enabling exports of over one million tons before the next crop is in. The barley crop was not as good and is estimated at 800,000 tons. Barley imports continue due to international prices that are significantly below local crop prices. The corn crop has not yet been harvested, but imports have increased significantly due to increase in poultry production and feed exports to Iraq.

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Unscheduled Report  
Cairo [EG1], SY

## **Wheat**

### **Production:**

Wheat production has exceeded all expectations due to ample rainfall during the last part of the growing season. The crop is estimated to exceed 4.5 million tons.

### **Consumption and Trade:**

The General Establishment for Cereal Processing and Trade (HOBOOB) bought a record 3.66 million tons of wheat in 2002, four percent above similar purchases from the previous crop in 2001.

HOBOOB may be in the market to export significant quantities of about one million tons of hard (Durum) wheat. HOBOOB plans to export all the desired quantities in spite the fact that international market prices are still significantly below the price HOBOOB is paying the Syrian farmer. The private sector imports small quantities from France and other European countries for milling, on condition that the produced wheat flour, or pasta is exported.

### **Stocks:**

Wheat stocks are currently estimated to be high due to the record purchases from the farmers. Silo storage facilities are increasing in Syria and are expected to increase further during the coming two years.

## **Barley**

### **Production:**

Barley production, which is 99 percent rainfed, was affected by rain shortage for about four weeks during February-March 2002. The barley crop is estimated at 800,000 tons. Syria usually produces black barley. HOBOOB bought 331,500 tons of barley from the local crop, 42 percent of the purchases from the previous crop in 2001.

### **Consumption, Trade, and Stocks:**

The private sector imports large quantities of barley, mainly from Eastern Europe. Barley stocks kept by the government are high because the price of locally produced barley is about 40 percent above the price of imported barley. HOBOOB will either have to export barley at international prices, or sell it locally at prevailing market prices. In both cases, there will be a significant loss, unless international barley prices increase significantly. Under all circumstances, a significant stock of barley will be maintained by HOBOOB.

### **Corn:**

The corn crop has not yet been harvested and is still estimated at about 125,000 tons. According to trade sources, imports have increased significantly due to the increase in poultry production and prepared feed exports to Iraq. Exports of U.S. corn to Syria may increase by about 30-40 percent this year and may hit a record close to one million tons. The U.S. share of all corn imports is also increasing, and may exceed 90 percent. Trade sources indicate that four ship loads carrying about 150,000 tons of U.S. corn are expected to arrive to Syrian ports within one month.